FAQ

**KCI** 

## New Single Terminal Airport





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## **ELECTION AND FINANCING:**

Kansas City, MO voters will be asked on November 7th to authorize building a new single terminal at Kansas City International Airport.

The financing is provided by the development team and will be paid back solely by the airlines and through revenues generated at the airport. The City will continue to own and operate the airport.

## Voters will see this question on the ballot:

Shall the City of Kansas City be authorized to construct a new passenger terminal at Kansas City International Airport and demolish existing terminals as necessary, with all costs paid solely from the revenues derived by the City from the operation of its airports and related facilities, and without the issuance of general airport revenue bonds unless such general airport revenue bonds have received prior voter approval?

## FAQs:

Will Kansas City taxpayers have to pay to finance the new terminal? No. All financing will be paid back by the airlines and revenue generated at the airport such as parking and concessions. The airlines are ready to pay more to lease their gates for a new single terminal that better serves their needs.

Why can't we renovate the airport instead of building a new single terminal? After dozens of studies and assessments in recent years, the airlines, in conjunction with the Aviation Department and airport terminal experts from across the country, have determined that it will be cheaper and better to build a new single terminal than try to renovate the existing three terminals.

Why can't the City just re-open more gates in the existing terminals? The existing space is too small and is the wrong configuration to accommodate larger planes, current security measures, covered passenger drop-off and pick-up and many other conveniences.

Will the City use general fund dollars to finance the new terminal? No.

Will the City grant incentives like TIF, Super TIF or abatement for the new terminal? No. The city will not be providing any incentives for the design or construction of the project.

How will the new terminal be more convenient than the current terminals? The new terminal will have a two-level curbside drop-off and pickup-design, so there will be less traffic in the arrival and departure areas. Visitors will no longer have to cross three lanes of traffic and stand in bus shelters. A 6,500-spot parking garage will be attached to the terminal. Two moving walkways will connect gates inside the terminal. Each gate will have larger waiting areas for passengers. There will be room for more restrooms, restaurants, charging stations and other amenities inside the secured passenger area.

What are the requirements for minority hiring and local jobs during construction? The City requires that the developer must meet all requirements expected of City aviation projects including paying prevailing wages and meeting MBE/WBE/DBE and workforce goals. Additionally, the City Council has stipulated that it wants any contract to include a community benefits agreement with additional programs that help local companies and workers participate in the terminal construction (Ordinance #170663).

If there is no city taxpayer money used, why is the public voting on it? In 2014, the City Council adopted an ordinance that said a citywide vote would be held for any decision regarding a new airport terminal. Even though this proposal does not use city taxpayer dollars, the City is keeping that promise to let voters decide.

How will the project be financed? Instead of the Aviation Department issuing airport revenue bonds to finance a new terminal, the developer will assemble the financing without using city taxpayer funds or issuing airport revenue bonds.

**How much will the new terminal cost?** The developer agreed to a "not-to-exceed" cost similar to the plan agreed to by the airlines and presented to the City Council two years ago. That plan was for a \$964 million terminal (2015 dollars).

Who is responsible for any cost overruns during construction? The developer.

How would the developer make money from this project? The amount of money Edgemoor makes depends on how efficiently they build the new terminal. They are required to provide a guaranteed maximum price under the agreement, and the City is not at risk for any cost overruns. Edgemoor will serve as the general contractor of this design-build project, which will earn the company money as a result of that role.

Will other Kansas City firms get an opportunity to work on this project? Yes, several local businesses are already on the Edgemoor team, including Clarkson Construction, a sixth-generation construction company located in the Historic Northeast neighborhood. Edgemoor is currently interviewing local companies to fill out its team.

Where will the new single terminal be built and how will construction affect current airport operations? The new terminal would be built on the site of Terminal A, which has been closed for several years due to airline mergers. Terminals B & C will continue to operate as usual until switching to the new single terminal in 2021.

**Is the design final?** Following a successful election, the design team will hold a series of design open houses in November and December to collect feedback from residents in every council district.

Has the city named a terminal developer? Edgemoor Real Estate & Infrastructure has been recommended as the terminal developer by a Procurement Selection Committee. Next steps include negotiating a Memorandum of Understanding and then a final contract, following a successful election. City Council approval is required for the MOU and contract.